

**BUSINESS ENTERPRISES PROGRAM**

**I. LEGAL AUTHORITY:**

Section 103(b)(1) of the Rehabilitation Act as amended; the Randolph-Sheppard Act (Public Law 74-732 as amended by Public Law 83-565 and 93-516, 20 U.S.C., Chapter 6A Section 107); 34 CFR 395.1-395.38; 34 CFR 361; Title 40 Chapter 9, Section 11.0 through 11.6 of the RI General Laws.

**II. POLICY STATEMENT AND PURPOSE:**

As the designated state unit, the Office of Rehabilitation Services/Services for the Blind and Visually Impaired has the authority to act as the "State Licensing Agency" or "SLA" for the purpose of establishing vending facilities in order to carry out its full responsibilities under the Randolph-Sheppard Act to provide employment to qualified persons who are blind.

The agency has established its Business Enterprises Program to provide management and supervision including inspection, quality control, consultation, accounting, regulating, in-service training, construction, maintenance, inventory control, and related services to ensure that a high-quality, statewide vending facility program is maintained.

These regulations are designed to assure that priority is given to blind persons in the operation of vending facilities on State and Federal property, and wherever feasible, one or more vending facilities are established on State and Federal property.

The Business Enterprises Program works together with the agency's Vocational Rehabilitation Program in certifying applicants as qualified to operate a vending facility. The goal of operating vending facilities on State and Federal property by licensed persons is to provide individuals who are blind with remunerative employment and to increase their economic opportunities so they may experience economic self-support.

**III. PROCEDURES: ISSUANCE OF LICENSE**

A. Issuance of a license to a qualified applicant shall be conditioned upon the following requirements:

1. The applicant must be legally blind. "Legally blind" means visual acuity found to be 20/200 or less in the individual's better eye with best correction, or visual acuity of better than 20/200 if the widest diameter of the field of vision subtends an angle no greater than twenty degrees (20°). Blindness shall be determined by a physician skilled in the diseases of the eye and certification thereof shall be made by the ophthalmological consultant at the Services for the Blind and Visually Impaired.
2. The applicant must be a citizen of the United States.
3. The applicant must be certified by the Vocational Rehabilitation Program of the SLA as qualified to operate a vending facility.

4. An applicant must be in need of employment.
- B. Qualified applicants referred to the Business Enterprises Program by Vocational Rehabilitation must meet the following additional requirements:
1. Possess skills or have the potential capacity to travel independently.
  2. Possess sufficient capacity to learn and/or perform basic mathematic operations and other management/business skills.
  3. Give evidence of stable personality traits to enable proper interaction with the public.
  4. Be willing to exercise due care in daily personal cleanliness and grooming.
- C. Business Enterprises Program (BEP) Trainee Application Process:
1. The Vocational Rehabilitation supervisor will submit a written application form completed by the assigned Vocational Rehabilitation counselor which contains pertinent information about the client to the Chief Supervisor of the Business Enterprises Program.
  2. The Chief BEP Supervisor and the Training Coordinator will review each application and schedule an informational interview.
  3. The Interview and on-site pre-evaluation.
    - a. The Training Coordinator or Chief BEP Supervisor will coordinate an informational interview with the client, the client's counselor, and, when appropriate, the Vocational Rehabilitation supervisor.
    - b. The interview is held for the purpose of evaluating a client's degree of interest and motivation, as well as capacity and potential for success as a future vendor, and in accordance with the basic entry requirements of trainee applicants. All applicants must pass a standard mathematics test to be administered during the interview.
    - c. An on-site, five (5) day pre-evaluation will be scheduled with a pre-designated vending facility for each applicant. During this pre-evaluation, applicants will be evaluated to ensure that they meet the requirements listed in III., B., 1-4. This shall include an evaluation for the need for adjustment training, mobility orientation/ instruction, rehabilitation teaching, and/or other support services.
    - d. Based upon information obtained from the interview and on the on-site pre-evaluation, the Chief BEP Supervisor in consultation with the Training Coordinator will decide whether to accept or reject the client for BEP training.

4. If the client is accepted into the BEP training program, the Training Coordinator will notify the counselor and client of the start date, and shall provide a written list of necessary training supplies, uniform requirements, and any other equipment or supplies to the counselor. The Vocational Rehabilitation counselor will make a referral to the mobility unit immediately following notification of client acceptance and will assist the client in obtaining necessary training supplies prior to the work experience assignment. The Chief BEP Supervisor will sign the application and return it to the counselor.
  5. If the client is not accepted into the training program, the Chief BEP Supervisor will state the reasons in writing and submit them along with the client's application to the Vocational Rehabilitation supervisor or counselor. The client may appeal this decision in accordance with the appeals process outlined in Section 115.12 of this Manual.
- D. Effective immediately, the applicant must have successfully completed the vending facility training program as described below, including a minimum of five (5) weeks of work experience and a six-month probationary period, in order to be issued a license by the SLA.

The SLA shall provide for the training of blind individuals in accordance with the requirements of 34 CFR 395.11, and for the development thereunder, with the active participation of the Rhode Island State Committee of Blind Vendors (RISCOBV), of training and retraining programs. The basic component requirements of such programs include:

1. Personal and vocational adjustment training, including books, tools and other training materials and related expenses as provided under the Vocational Rehabilitation program of the SLA.
2. Work experience and practice in the trial and actual operation of a vending facility, including specialized training preparatory to the conduct and maintenance of financial data, purchasing and fiscal procedures and financial status reports.

3. The training program will be a minimum of sixteen (16) weeks as follows:
  - a. Five (5) weeks of classroom training including testing and graduation; and
  - b. Five (5) weeks of work experience in a pre-designated vending facility or facilities; and

Six(6) weeks of food safety certification training; and

If the trainee is absent from training, make-up of days absent and completion of assignments will be required; and

If it is determined by the Chief BEP Supervisor and Training Coordinator that further training is required, the trainee and counselor will be notified. If additional training is required, the candidate will graduate with the following class; and

If a trainee is placed in less than a year, s/he must participate in a one week orientation to the location and a review of all relevant aspects of the facility's operations; and

- a. If the trainee is not placed in one year, the trainee may be required to participate in a review by the Chief BEP Supervisor and Training Coordinator. Failure to participate in mandated training will result in removal from the graduated candidate list.
- b. Inactive graduates will be removed from the transfer seniority list after three (3) years.

4. Upward mobility, or continued training for the advancement or re-training of vendors, including as necessary, provision of post-employment services to assist vendors in their adjustment to their work assignment and assure the application of their maximum vocational potential as vending facility managers.

E. General Standards for selection of Licensed Vendor:

To be eligible for appointment as a Licensed Vendor, the following basic requirements must be met:

2. An applicant must have successfully completed the specialized training program for Blind Vendors as provided by the SLA or a training program of equal scope and requirements.
3. An applicant must have acquired sufficient knowledge and skills necessary to the successful performance of all the tasks or processes which enable the proper operation of a vending facility.
4. Upon successful completion of an approved training program, the applicant shall receive a Certificate of Graduation.

1. Subsequent to the successful completion of a six (6) month probationary period at an assigned vending facility, the graduate will receive a vendor=s license. Monthly evaluations will be conducted during said probationary period.

**IV. PROCEDURES: SELECTION, TRANSFER, AND PROMOTION OF VENDORS**

The SLA, with the active participation of the State Committee of Blind Vendors, hereby establishes a selection, transfer, and promotion system for vendors which will be uniformly applied to all vendor vacancies that develop or occur in the vending facilities program.

**A. Definitions:**

1. Blind licensee - is an individual who has been licensed to operate a vending facility but is not actually operating a vending facility pursuant to a written agreement to operate a vending facility.
2. Blind vendor - is a blind licensee who has been licensed to operate a vending facility by the State Licensing Agency and is actually operating a vending facility, including a State Licensing Agency facility pursuant to a written agreement to operating a vending facility.
3. Transfer - as used in these regulations, transfer shall mean the moving of a person who is or was a Blind Vendor to a vacant facility. Transfer shall not include the move of an existing vending facility to a new location if the population to be served at the new location is substantially the same. (E.g., if a store in which a vending stand is located moves to a new location, this would not be a transfer. If the store moves into a mall and the vending facility services the same store plus a substantially different population, then this would be a transfer.)
4. Vending facility - includes facilities operated by the State Licensing Agency as well as facilities operated by a Blind Vendor. See Vending Facilities Standards below.
5. Promotion - is the advancement of a Blind Licensee who has never been a Blind Vendor to the status of Blind Vendor.

**B. General Standards for the Transfer of Blind Vendors and Promotion of Licensed Operators**

1. In order to assure the continuous and orderly coverage of all vending facilities, the following requirements shall be basic to the eligibility for transfer and promotion:
  - a. The Blind Vendor or Licensed Operator must have demonstrated his or her ability to successfully operate and manage a vending facility.
  - b. The Blind Vendor or Licensed Operator must have adhered to these rules and regulations and operating rules of the Vending Facilities Program during the immediate past assignment(s).

- c. The Blind Vendor or Licensed Operator must have repaid or resolved any debts incurred during previous assignment(s).
- d. The Blind Vendor or Licensed Operator must consider, and be prepared to assume certain obligations which may occur, such as: relocation of residence, transportation to and from a facility and assumption of duties and responsibilities which may or may not vary from the previous assignment(s).
- e. The Blind Vendor or Licensed Operator must be prepared to accept specialized or advanced training prior to or after transfer and promotion.

**C. Transfer of Blind Vendors**

- 1. In accordance with the standards outlined in Item B. above, the transfer of Blind Vendors to a Vending facility shall be made on the basis of transfer seniority. Transfer seniority is defined as the length of time that a Blind Vendor has actually operated a vending facility located in Rhode Island pursuant to a written Agreement for Operation of a Vending Facility.
  - a. Transfer Seniority shall not accrue to an employee (i.e., an individual for whom a W-2 is prepared) of a Vending Facility or the State Licensing Agency unless said employee is a Blind Vendor operating a State Licensing Agency Facility pursuant to a written agreement.
  - b. Transfer Seniority shall not accrue for time that an individual was a Licensed Operator and not operating a vending facility pursuant to a written agreement.
- 2. Profit and Loss Statements will be used to determine the Transfer Seniority of each vendor. If the Profit and Loss Statement indicates that the operator of a vending facility was the State Licensing Agency, then no Transfer Seniority shall accrue to any individual. The State Licensing Agency and the State Committee of Blind Vendors shall review all Profit and Loss Statements and establish a permanent Transfer Seniority List.
- 3. Whenever there shall be a vacancy due to a transfer, or an opening due to the establishment of a new vending Facility, the State Licensing Agency shall provide written notice to each and every blind vendor, except those individuals who have previously withdrawn from the program or those individuals who have been terminated. Said notice shall be given within five (5) business days of the date of said vacancy unless otherwise determined by the SLA.
- 4. Upon request, the SLA shall provide to the blind vendors the last two Profit and Loss Statements to assist the vendor in her/his decision to transfer.
- 5. The SLA shall maintain a Transfer Seniority List containing names, dates, and locations at which transfer seniority was accrued.

6. Upon selection for transfer, the blind vendor shall have a maximum of ten (10) business days to sign a written agreement to operate the vending facility on which s/he has bid. In the event s/he decides not to accept the transfer within the ten (10) business days, s/he shall return to her/his previous facility with no loss of transfer seniority.
7. If no blind vendor bids or accepts the transfer, the facility shall be offered to the list of Licensed Operators, as outlined in Promotion of Licensed Operators below.

**D. Promotion of Licensed Operators**

1. If no blind vendor is available for transfer to a vacancy at a vending facility, then the SLA shall notify all Licensed Operators of the vacancy and the opportunity for promotion in accordance with C. above. Promotion will be on the basis of Promotional Seniority. Promotional Seniority is defined as the length of time that a blind licensee who has been licensed to operate a vending facility by the State Licensing Agency and who has never operated a vending facility in the State of Rhode Island. Notice of a vacancy shall be given in accordance with C. 3. and 4. above. The SLA shall maintain a Promotional Seniority List containing the name and certificate date on which an individual received his/her license as a Licensed Operator.
  - a. In the event that more than one individual receives a Certificate of Award on the same day, the name of each individual will be drawn on her or his behalf from a box or other such container by a person other than the one who recorded and/or placed the names in the box. Each successive name drawn will then be ranked on the Promotional List in the order in which it is drawn and recorded on the Certificate of Award as the rank in seniority.

**V. PROCEDURES: TERMINATION OF LICENSES**

- A. All licenses shall be issued for an indefinite period of time but subject to suspension or termination if, after affording the licensee an opportunity for a full evidentiary hearing, the SLA finds that the vending facility to which that licensee is assigned is not being operated in accordance with the rules and regulations set forth herein, the terms and conditions of the permit, or the terms and conditions of the written agreement between the SLA and the licensee.
- B. Any license given to an individual vendor for the operation of a vending facility on Federal or other property also may be suspended or terminated for any of the following reasons:
  - a. No longer eligible under the criteria in III., A. and III., E., e.g., improvement of vision so that the vendor no longer resides in Rhode Island, or meets the definition of blindness.
  - b. Extended illness with medically documented diagnosis resulting in prolonged incapacity of the vendor to operate a vending facility in a manner consistent with the needs of the location or other available locations in the vending facility program.

- c. Withdrawal of the vendor from the program upon his or her written notification to the SLA.

**VI. VENDING FACILITIES STANDARDS**

**A. Definitions**

1. "Blind person" means a person who is legally blind as defined in III. A. 1. above.
2. "Licensed operator" means a blind person who has received a license from the Services for the Blind and Visually Impaired which entitles the person to operate a vending facility, receive the profits therefrom, and take responsibility for the continuous maintenance of the facility to which s/he is assigned. The license which an operator receives shall be issued pursuant to the rules and regulations of the Business Enterprises Program.
3. "State property" means any building, land, or other real property owned, leased, or occupied by any department, agency, or instrumentality wholly owned by the State, unless, with respect to any building, land, or other real property leased or rented by the State, the lease or rental agreement shall prohibit the establishment of such vending facilities.
4. "Vending facility" includes but is not limited to cafeterias, snack bars, cart service, shelters, counters, and such other appropriate auxiliary equipment necessary for the sale of newspapers, periodicals, tobacco products, foods, beverages, and other articles or services dispensed manually and prepared on or off the premises in accordance with all applicable health laws, as determined by ORS/SBVI, and including the vending or exchange of chances for any lottery which may be located on public or private property.
5. "Automatic vending machine" means any machine which automatically dispenses for money, goods, such as, but not limited to, soda, cigarettes, newspapers, food, videotapes, coffee, etc.
6. "Acceptable vending company" means a company who provides automatic vending machine services and who agrees to send to the ORS/SBVI proceeds from the operation of any automatic vending machine on State property as determined and agreed upon pursuant to a contract awarded by the Division of Purchases.
7. "Proceeds" means the vending machine income generated from the operation from an automatic vending machine on State property.

**B. Vending facilities other than automatic vending machines.**

1. Vending facilities other than automatic vending machines may be located on public or private property and shall be operated by a licensed blind vendor pursuant to the rules and regulations of the ORS/SBVI Business Enterprises Program.



2. Whenever feasible, one or more vending facilities should be established on all State property. Every State department, agency, or instrumentality shall explore the possibility of locating a vending facility on State property under its control.
3. Whenever any department, agency, or instrumentality of the state shall undertake to acquire by ownership, rent, lease, or to otherwise occupy, in whole or in part, any building, such department, agency, or instrumentality shall make all reasonable attempts to assure that such building includes a satisfactory site(s) for the location and operation of a vending facility by a blind person pursuant to the rules and regulations of the Business Enterprises Program. Each department, agency, or instrumentality is encouraged to provide timely notice to DHS that the acquisition, construction, or renovation is planned in order to permit appropriate planning, selection of the site(s) by the RI ORS/SBVI.
4. Whenever any department, agency, or instrumentality of the state with an existing vending facility shall undertake to acquire by ownership, rent, lease, or to otherwise occupy, in whole or in part, any building, such department, agency, or instrumentality shall make all reasonable attempts to assure that such building includes a satisfactory site(s) for the location and operation of a vending facility pursuant to the rules and regulations of the Business Enterprises Program. The cost of relocating and constructing the vending facility at the new site is determined on a case by case basis by the SLA.
  - a. A satisfactory site is defined as a site with a high traffic area with a sufficient customer base to support the facility in accordance with 34 CFR 395.31.
  - b. When a decision is made to relocate or acquire a new location, the State department or agency shall, within ten (10) days, notify the Administrator of the Office of Rehabilitation Services/Services for the Blind and Visually Impaired in writing.
  - c. Upon receipt of written notification, ORS/SBVI will determine, with the cooperation of the reporting department and appropriate advice and participation by the RISCOBV, the feasibility of locating a vending facility on the site.
  - d. Accessibility, available space, anticipated volume, available funding, and other relevant factors as determined by the State Licensing Agency (SLA) will be taken into account. After considering the position of the state agency or department, the RI State Committee of Blind Vendors, and all other relevant factors, the SLA shall make the final decision to locate or not to locate a vending facility on the proposed site. A copy of the written decision shall be mailed to the Director of Administration, the state agency or department, and the RI State Committee of Blind Vendors.
  - e. If any department or agency believes that placement or location of a vending facility on the proposed site would adversely affect the interests of the State, a written report justifying and explaining the nature of the adverse

effects shall be forwarded to the Director of Administration. The justification shall be provided to the said Director of Administration within ten (10) business days of receipt of the SLA decision to locate or not to locate a vending facility on the proposed site. Copies of the justification shall be provided within the same time frame to the SLA and the RI State Committee of Blind Vendors.

- f. The Director of Administration shall determine within thirty (30) days of receipt of the justification if the location or placement will adversely affect the interests of the State. This determination will be put in writing, provided immediately to the SLA, and will be binding upon all departments, agencies, or instrumentalities of the State affected by the decision.
- g. Copies of the all notifications and decisions made pursuant to this section shall be provided to the RI State Committee of Blind Vendors by the SLA for advice as appropriate.

**C. Automatic Vending Machines**

- 1. In accordance with the rules and regulations of the Business Enterprises Program, vending machine income obtained from the operation of all automatic vending machines on state property shall accrue to:
  - a. the Licensed Operator operating the vending facility, and
  - b. in the event that there is no Licensed Operator operating a vending facility on the property, to the SLA for use in the support of the administration of the Business Enterprises Program.
- 2. All departments, agencies, or instrumentalities of the state, unless exempt, are required to forward the proceeds of automatic vending machines to Services for the Blind and Visually Impaired. In the event that, after reasonable notice, a department, agency, or instrumentality of the State does not forward the proceeds, the SLA shall notify, in writing, the Director of Administration. The Director of Administration shall instruct the state department, agency, or instrumentality to forward said proceeds immediately to SBVI.
- 3. Identification of automatic vending machines on existing state property.
  - a. The Bureau of Audits shall include in each audit conducted an identification of the location of all vending machines on state property and ascertain where, if anywhere, the proceeds from said automatic vending machines are being sent.
  - b. Upon completion of the audit, the Bureau of Audits shall forward a copy of all sections of the auditor's report that pertain to vending machines to the Department of Administration and to the Director of the Department of Human Services.

- 1) The failure to forward automatic vending machine proceeds to the SLA shall be identified in the auditor=s report as being out of compliance with state law and the report shall direct that action be taken to correct the deficiency.
4. Installation of vending machines on state property
  - a. Before the installation of any automatic vending machine on state property, all state departments, unless exempt, must submit a request for the installation of a vending machine to the Department of Administration, Office of Purchases. The request must be in writing and clearly indicate the type of vending machine the department or agency desires.
  - b. The Office of Purchases, on receipt of a request, will ask for bids from acceptable vending companies. DHS ORS/SBVI shall assist the Office of Purchases in developing the terms of the proposal requesting bids.
  - c. A contract will be awarded to the bidder who offers the state the highest profit. The contract shall require the successful bidder to forward the vending machine proceeds to the SLA for deposit in a restricted receipt account. The proceeds shall be forwarded no less than quarterly.
5. Location
  - a. Whenever any department, agency, or instrumentality of the state shall undertake to acquire by ownership, rent, lease, or to otherwise occupy, in whole or in part, any building, such department, agency, or instrumentality shall make all reasonable attempts to assure that such building includes a site or sites for the location and operation of automatic vending machines.
6. Exemptions

- a. Any department, agency, or instrumentality that believes that the income from an automatic vending machine should also be exempt shall set forth, in writing, how the interests of the state would be adversely affected. They shall justify fully why said vending machine should be exempt. The justification shall be provided to the Director of Administration within ten (10) days of its identification or the state agency's decision to locate an automatic vending machine on either existing state property or newly acquired state property. Copies of the justification shall, within the same time frame, be provided to the SLA and the RISCOBV. The Director of Administration shall, within thirty (30) days of receipt determine if an exemption should be granted. The decision shall be binding once it is filed with the SLA and all exemptions presently in effect will expire on September 30, 1997. Beginning October 1, 1997, all exemptions issued will be reviewed on an annual basis at the end of each fiscal year. Funds will revert to the SLA if:
  - 1) Accurate accounting of the use of such funds is not provided to the Department of Administration and the SLA on an annual basis; or
  - 2) If justification for using the funds received does not cover the full amount of such funds; or
  - 3) If no annual justification for an exemption is received.

**VII. VENDING FACILITY EQUIPMENT AND INITIAL STOCK**

- A. The SLA is responsible for furnishing each vending facility with adequate initial stocks of merchandise, suitable equipment, and petty cash if necessary for the establishment and operation of such facility.
- B. The right, title to, and interest in the equipment, stock, and petty cash of each vending facility will be vested in the SLA in accordance with the laws of the State of Rhode Island, and, the SLA, as the duly authorized agency to administer the Vending Facilities Program, shall safeguard all such equipment, stock, and petty cash, using same for program purposes only.
- C. Expenditures for the purchase of vending facility equipment and initial stock, petty cash, and expenditures for major repairs to vending facility equipment, shall be made in accordance with purchasing and disbursement procedures of the State of Rhode Island.
  1. SLA officials, in conjunction with the RI State Committee of Blind Vendors (RISCOBV), shall meet with officials of the Department of Administration/Office of Purchases on an as needed basis for purposes of deciding the following:
    - a. A method(s) for the expedient acquisition of new and replacement equipment and initial stock.

- b. A method(s) for procurement of certain stock and inventory on a bulk-purchasing basis or utilizing any other purchasing procedure which is suitable and economically advantageous to a majority of vendors.
  - c. Recommendations to establish appropriate expenditure accounts, namely, checking or Imprest Cash Accounts, to expedite the purchase of small equipment, stock and inventory.
- D. Disposition of Equipment, Merchandise, and Petty Cash
  - 1. Upon termination of a vending facility assignment by a vendor, he or she shall be permitted to engage in an inventory of all equipment, merchandise, and petty cash, but the SLA shall be responsible to take the inventory as soon as practicable following such termination. The SLA shall, within a reasonable period of time, submit a Profit and Loss Statement to the vendor or his or her heirs, and either pay any remaining profits to him, her or them, or, make demand upon him, her, or them in the event of debt(s) outstanding at such facility.
  - 2. All equipment and merchandise shall remain at the subject vending facility, excepting perishables and petty cash, until the final inventory is completed.
  - 3. The petty cash will be returned to the SLA upon termination of assignment and added to the value of final inventory.
  - 4. Equipment and stock shall be appraised at current fair market value, then sold for such value, or retained for the continued operation of that facility by another vendor, or stored for future use.
  - 5. Proceeds from the sale of any and all equipment and merchandise, shall be deposited in and credited to the accounts from which they were drawn and apportioned in accordance with the matching ratio in effect at the time of their purchase.
- E. All equipment and permanent stock as purchased by the SLA shall be labeled with a numerical sticker which is clearly marked to reflect its ownership by the State of Rhode Island.
  - 1. A complete inventory of all such goods shall be maintained by the SLA.
  - 2. Equipment and permanent stock which is not the property of the State of Rhode Island may be inventoried at the discretion of the SLA for the purpose of determining worth/value in the event of unexpected loss, i.e., theft, fire, etc.

#### **VIII. MAINTENANCE AND REPLACEMENT OF EQUIPMENT**

- A. The SLA shall maintain, or cause to be maintained, all vending facility equipment in good repair and in attractive condition, and the SLA shall replace or cause to be replaced, worn out, or obsolete equipment as required to assure the continued successful operation of the facility.

- B. If there is equipment present at any vending facility the full title of which is not vested in the SLA, the latter hereby declares no responsibility or obligation for its maintenance, repair, and replacement.
- C. Vending facility equipment in need of repair or replacement shall be reported to the SLA without delay. Subsequent to such report, the SLA will determine the costs of repair/replacement. These costs must be verified by written documentation from an appropriate licensed repair person.
- D. Each vendor shall take reasonable care of the equipment assigned to his or her facility, and perform routine, day-to-day cleaning and maintenance procedures.

**IX. SETTING ASIDE OF FUNDS**

- A. The SLA will set aside, or cause to be set aside the net proceeds of the operation of all vending facilities under the program and assigned vending machine income, a sum of money which will be based upon a fixed percentage, which shall apply equally to each vending facility without regard to any vending facility or vending machine. Such method of assessment as outlined below.
  - 1. The method by which the SLA shall cause funds to be set aside from the net proceeds of all vending facilities and locations is as follows:

Following each inventory period, or at least twice each year, the net proceeds of each vendor and the retained income from vending machines shall be multiplied by ten percent (10%), or less depending upon the annual capital requirements of the Vending Facilities Program; and such resultant sums shall be deposited in conjunction with the payment of costs as outlined in this subsection B., 1.
  - 2. Set aside rate
    - a. The set aside rate from the present time until the September, 1998 assessment is established at seven percent (7%).
    - b. The set aside rate after the September, 1998 assessment will be set at three and one-half percent (32%).
    - c. Further changes in the set aside rate will be considered on an annual basis depending on the program's projected expenses as determined by the SLA and RISCOBV Executive Board until gradual elimination of the set aside collection is achieved. (See also A. of this subsection.)
- B. The SLA shall provide for the establishment, with the active participation of the State Committee of Blind Vendors, of a set aside schedule covering each of the purposes for which set aside funds are to be used. Moreover, the SLA shall provide for establishment of the method of determining the charge for each of the intended purposes, as outlined below.

1. The charges to be applied for purposes of providing maintenance and replacement of equipment, the purchase of new equipment, and management services shall be based upon the level of such charges made in the fiscal year prior to the year in which such charges are applied, or at the rate of thirty percent (30%), plus a reasonable increase for all such purposes as is necessary to the growth of the vending facilities program.
2. The charge for assuring a fair minimum return to vendors shall be applied at the rate of thirty (30%) percent of the total of all funds set aside in any fiscal year, and the amount and method of disbursement of such minimum return shall be in the form of a weekly wage equal to the Federal Minimum Wage Scale multiplied by the average number of hours during which the vendor is normally employed. Guaranteed fair minimum return will continue to be paid to vendors. Holidays and the cost of substitute labor will be deducted from payments for guaranteed fair minimum wage. At locations where there has been no significant change in building populations and the facility was previously operated at or above the minimum wage, no guaranteed fair minimum wage will be paid. If the building population declines and a guaranteed fair minimum payment is required, an annual determination will be made as to whether to close the facility or keep it open for another year by the SLA and RISCOBV Executive Board. (See 1. above.)
3. Participating vendors must forward payments for health insurance and dental insurance to the SLA on a monthly basis by the twentieth (20th) of each month. The SLA will continue to be responsible for administering such health and dental plans. SLA reimbursement for health insurance and dental insurance will be eliminated effective 9/30/97.
  - a. Health insurance for these purposes is defined as the special coverage for Health and Accident as provided by a group plan through the Rhode Island Association of Insurance Agents, Incorporated.
4. Retirement or pension plans will be provided directly by each operator at his or her own election. Vacation and sick leave accrual will be eliminated effective 9/30/97. Vendors may discharge previously accrued vacation and sick leave through 9/30/98. To be eligible for reimbursement, such vendors must hire paid substitute labor.
  - a. Vacation time shall be granted to each licensed vendor, and a substitute operator shall be paid by the SLA according to the following plan:
    - 1) After the completion of twelve (12) months from the time of issuance of a license, the vendor may discharge five (5) consecutive days of vacation time; and, thereafter, during the continuous licensure, may discharge one additional day for each year up to five (5) years, not to exceed a total of ten (10) working days.
    - 2) Vendors may be able to carry over one calendar year to the next not more than the vacation time accrued and credited during that calendar year.

- 3) Substitute operators shall be paid by the SLA as based upon the rate determined by the RISCOBV which will be no less than the Federal minimum wage multiplied by the actual number of hours which such substitute is required to work.
5. Funds will be set aside only for the purposes of:
  - a. Maintenance and replacement of equipment;
  - b. Purchase of new equipment;
  - c. Management services;
  - d. Assuring a fair minimum return to vendors; and
  - e. The establishment and maintenance of retirement or pension funds, health insurance contributions, and provisions for paid sick leave and vacation time as it is so determined by a majority vote of blind vendors licensed by the SLA, after such agency provides to each such vendor information on all matters relevant to such proposed purposes.
- C. The SLA shall provide for the maintenance of adequate records to support the reasonableness of the charge for each purpose, and the SLA shall submit any change in the set aside schedule to the Commissioner of Rehabilitation Services Administration (RSA) for approval prior to such change being put into effect.

**X. DISTRIBUTION AND USE OF INCOME VENDING MACHINES ON FEDERAL PROPERTY**

- A. Vending machine income from vending machines on Federal property which has been disbursed to the State Licensing Agency by a property managing department, agency, or instrumentality of the United States under the vending machine income sharing provisions in 34 CFR 395.8 shall accrue to each blind vendor operating a vending facility on such Federal property in an amount not to exceed the average net income of the total number of blind vendors within such State, as determined each fiscal year on the basis of each prior year's operation, except that vending machine income shall not accrue to any blind vendor in any amount exceeding the average net income of the total number of blind vendors in the United States.
- B. No blind vendor shall receive less vending machine income than he was receiving during the calendar year prior to January 1, 1974, as a direct result of any limitation imposed on such income under this ceiling.
- C. No limitation shall be imposed on income vending machines, combined to create a vending facility, when such facility is maintained, serviced, or operated by a blind vendor.



- D. The SLA will retain vending machine income disbursed by the property managing department, agency or instrumentality of the United States in excess of the amounts eligible to accrue to blind vendors.
- E. The SLA will disburse such vending machine income to blind vendors on at least a quarterly basis.
- F. Any vending machine income not necessary for such purposes shall be used for one or more of the following:
  - 1. Maintenance and replacement of equipment; purchase of new equipment; management services, and assuring a fair minimum return to vendors.
  - 2. Any assessment charged to blind vendors shall be reduced pro-rata in an amount equal to the total of such remaining vending machine income.

**XI. OPERATING AGREEMENTS BETWEEN STATE LICENSING AGENCY AND BLIND VENDOR, AND, BETWEEN STATE LICENSING AGENCY AND BLIND VENDOR/BLIND OPERATORS**

- A. The SLA hereby adopts, with modifications and additions made by it and the State Committee of Blind Vendors, that guide-line entitled, Agreement For Operation of a Vending Facility Under Randolph-Sheppard Act Between the State Licensing Agency and \_\_\_\_\_, a Licensed Blind Vendor, as transmitted by RSA-PI-78-14, filed herewith as Attachment XI-A.
- B. The SLA hereby adopts in their entirety, the Instructions and Permit Form as transmitted by RSA-PI-78-9 and entitled, Instructions for the Application..., and, Application and Permit for The Establishment of a Vending Facility on Federal Property..., respectively, and such procedures shall apply to the establishment of all facilities by the SLA.

**XII. ELECTION, ORGANIZATION, AND FUNCTIONS OF STATE COMMITTEE OF BLIND VENDORS**

- A. The SLA shall provide for the biennial election of a State Committee of Blind Vendors, the functions of which are:
  - 1. Actively participate with the State licensing agency in major administrative decisions and policy and program development decisions affecting the overall administration of the State's vending facility program;
  - 2. Receive and transmit to the State licensing agency grievances at the request of blind vendors and serve as advocates for such vendors in connection with such grievances;
  - 3. Actively participate with the State licensing agency in the development and administration of a State system for the transfer and promotion of blind vendors;

4. Actively participate with the State licensing agency in the development of training and retraining programs for blind vendors; and
  5. Sponsor, with the assistance of the State licensing agency, meetings and instructional conferences for blind vendors within the State.
- B. The SLA, in order to assure opportunity for effective and constructive active participation by the Committee, shall provide for a communications procedure under which the Committee is provided notice of matters within its purview that are being considered for decision, and under which appropriate sub-committees or individual members will receive notices of and invitations to attend important discussion and decision-making meetings in areas of the sub-committee's interest. In addition, the committee, in its role of active participant in decision making and administration consistent with 34 CFR 395.3, 395.14 and 395.7(c), shall have the opportunity to initiate matters for consideration by it and the SLA, and make meaningful contributions to the State's vending facilities program with its views and positions taken into careful and serious account by the SLA. The SLA has the ultimate responsibility for the administration of the State vending facilities program and if the agency does not adopt the views and positions of the State Committee of Blind Vendors, it will notify the committee in writing of the decision reached or the action taken and the reasons for the decision/action taken.

**XIII. ADMINISTRATIVE REVIEW, EVIDENTIARY HEARINGS AND ARBITRATION OF VENDOR COMPLAINTS**

- A. The SLA hereby adopts, with certain modifications, and incorporates herein, the procedures set forth in RSA-PI-77-27 entitled, Procedures for Administrative Review and a Full Evidentiary Hearing Under the Randolph-Sheppard Act.
- B. The SLA hereby incorporates the policies and procedures, as set forth in their entirety in RSA-PI-78-17, entitled Revised Interim Policies and Procedures for Convening and Conducting an Arbitration Pursuant to Sections 5(b) and 6 of the Randolph-Sheppard Act as Amended.

**XIV. ACCESS TO PROGRAM AND FINANCIAL INFORMATION**

- A. The SLA shall, upon request, within a reasonable period of time, provide to each blind vendor access to all program and financial data of the SLA relevant to the operation of the vending facility program, including quarterly and annual financial reports, provided that such disclosure does not violate applicable federal or state laws pertaining to the disclosure of confidential information.
  1. Insofar as practicable, such data shall be made available in braille, large print and/or on recorded tape, upon request.
  2. At the request of the vendor the SLA will arrange a time convenient to both parties during normal work hours to assist in the interpretation of such data.

- B. The SLA shall review with the RISCOBV Chairperson or his/her designee revenue and expenditures involving the use of funds to be set aside from the operation of vending facilities or caused to be set aside from unassigned vending machines on a monthly basis.
  - 1. The Chairperson will share this information with the State Committee or its Executive Committee as deemed appropriate.
  - 2. Quarterly reports concerning this fund will be provided to all members of RISCOBV Executive Committee by the SLA.

**XV. EXPLANATION OF RIGHTS AND RESPONSIBILITIES OF AND TO VENDORS**

- A. The SLA shall furnish to each vendor copies of documents relevant to the operation of an assigned vending facility including the following:
  - 1. The Agreement for Operation and Vending Facility Permit covering the operation of an assigned facility.
  - 2. a copy of these Program Rules and Regulations.
  - 3. a written description of the arrangements for providing services.
- B. Each vendor to be licensed and assigned in the future, and each vendor undergoing upward mobility training, shall receive as part of her/his training, preparatory to her/his licensing or advancement, full information as to the provisions contained in these Rules and Regulations.

ATTACHMENT IX-A

AGREEMENT FOR OPERATION OF A VENDING FACILITY  
UNDER THE RANDOLPH SHEPPARD ACT

This Agreement is Hereby Terminated as of:

Month/Day/Year

\_\_\_\_\_  
(SLA)

(Vendor)

\_\_\_\_\_  
(Witness)

(Witness)

AGREEMENT FOR OPERATION OF A VENDING FACILITY  
UNDER THE RANDOLPH-SHEPPARD ACT BETWEEN

The RIORs/Services for the Blind and Visually Impaired and STATE LICENSING AGENCY and  
, a LICENSED BLIND VENDOR.

THIS AGREEMENT entered into this \_\_\_\_\_ day of \_\_\_\_\_ by and between the RIORs/Services  
for the Blind and Visually Impaired State Licensing Agency (hereinafter, S.L.A), and \_\_\_\_\_,  
licensed as a blind vendor under The Randolph-Sheppard Program (hereinafter, vendor) by the S.L.A.,  
WITNESSETH:

WHEREAS, the S.L.A. has been granted a permit by the \_\_\_\_\_ for the operation of a vending  
facility by a licensed blind vendor under the Randolph-Sheppard Program (hereinafter, permit) on the  
(Federal property) (non-Federal property) located at \_\_\_\_\_, a copy of  
which permit is attached hereto and made a part of hereof; and,

WHEREAS, the S.L.A., has offered the vendor the opportunity to operate the vending facility under the  
terms and conditions hereinafter set forth; and

WHEREAS, the vendor has agreed to undertake the operation of the vending facility under the terms  
and conditions hereinafter set forth; and

WHEREAS, the parties do not intend to deviate in any way from responsibilities and rights imposed and  
granted by applicable Federal, State, or local laws or regulations by this agreement;

NOW, THEREFORE, in consideration of these premises, it is mutually agreed as follows:

A. THE S.L.A.

3. The S.L.A. will equip the vending facility for carrying out the business authorized by the permit.

2. The S.L.A. will furnish initial stocks of merchandise and petty cash sufficient to enable the vendor to commence operating the business authorized by the permit. The S.L.A. will also furnish the vendor with a complete inventory of all equipment, initial stocks, and petty cash provided.
4. The S.L.A. will maintain the equipment at the vending facility in good repair, and will replace obsolete and worn out equipment as necessary.
4. It will be the primary responsibility of the Blind Vendor to provide for substitute operation of the vending facility as may be necessitated by the Vendor's absence because of illness or vacation. In the event that the Blind Vendor is unable to secure a substitute, the S.L.A. will endeavor to provide a substitute. The salary of the person who substitutes for the vendor, or that of other emergency help, shall be charged to the vending facility where the service is performed, except to the extent that it is otherwise covered by the vacation and sick leave plan provided by the S.L.A.
5. If a Blind Vendor is continuously absent from his/her vending facility for three consecutive calendar months or less for medical reasons, it will be his/her responsibility to obtain a substitute worker for that period.
6. If a Blind Vendor is continuously absent from his/her assigned vending facility for a period in excess of three consecutive calendar months, for medical reasons, the S.L.A. may suspend the Agreement to Operate the Facility and assume responsibility for operation of the facility for a period not to exceed twelve months from the date of the suspension. A letter will be sent to the vendor notifying him/her of the suspension. At any time during the twelve month suspension period that the vendor is able to resume operation of the facility, he/she may do so with the approval of the S.L.A. upon written notification by the vendor substantiating his/her ability to resume operation. The suspension of the S.L.A./Operator Agreement will cease and the Agreement shall be reinstated by the S.L.A. The S.L.A. will be responsible for taking and providing the vendor a copy of the inventory on the date of suspension and on the date of reinstatement.

The Blind Vendor will not accrue seniority during the period of suspension.

7. The vendor shall provide medical documentation in writing substantiating the need of the vendor's extended medical absence from the vending facility. The documentation shall include a physician's opinion as to the length of time that the vendor is anticipated to be absent from his/her vending facility.
8. If a Blind Vendor is absent from his/her assigned vending facility for medical reasons in excess of the twelve calendar months suspension, the suspension shall cease, the S.L.A. will terminate the S.L.A./Vendor Operating Agreement and a new vendor assigned as provided in the Agency's policies of selection, transfer and promotion (Attachment IX of these regulations and 34 CFR Part 395.7). A letter will be sent to the vendor notifying him/her of the termination.

Termination or suspension of the Agreement should take place only after affording the vendor an opportunity for a full evidentiary hearing if it also applies to the vendor's license to operate.

9. The S.L.A. will provide, or will provide for, supervisory and management services necessary for the efficient operation of the vending facility.

**B. THE VENDOR**

10. The vendor agrees not to represent himself/herself as the owner of said business or to part with the possession of any portion of it, and to notify the S.L.A. immediately of any attempt to dispossess him/her thereof or to obtain a lien or execute a process of law thereon. It is especially understood that the title to the business and the equipment belongs to the State and Federal Governments and that the vendor shall act in all matters with due regard to rights and obligations of the S.L.A., and, in addition, shall immediately refer all matters involving policy and public relations to the S.L.A.
11. The vendor will be responsible for having the vending facility open for business on the days and during the hours specified in the permit.
12. The vendor will operate the vending facility business on a cash basis and will not extend credit to any customers unless approved by the S.L.A., and the vendor will, insofar as possible, pay all bills on a C.O.D. basis.
13. The vendor will be accountable to the S.L.A. for the proceeds of the business of the vending facility, and will handle the proceeds, including payments to suppliers and deposits of funds, in accordance with instructions from the S.L.A. The vendor will submit at the close of each business week a report of cash receipts and payments accompanied by actual receipts for all expenditures.
14. The vendor will carry on the business of the vending facility in compliance with applicable health laws and regulations.
15. The vendor will maintain a neat, business-like appearance while working at the vending facility, and will conduct the facility in an orderly, business-like manner.
16. The vendor agrees that he/she will not purchase any equipment and stock for use in this business, without the permission of the S.L.A., and that upon termination of his/her employment all equipment and stock remains the property of, and must be turned over to, the S.L.A. and further agrees at any time, for good cause, to surrender to the S.L.A. said equipment, stock and cash in good order and condition, except for reasonable deterioration or depreciation, and is therefore responsible to return to the S.L.A. total assets equal to those which he/she received at the commencement of operation.
17. The vendor will take proper care of the equipment of the vending facility, and will not make any major alterations or changes thereto without the written approval of the S.L.A.
18. The vendor will notify the S.L.A. within a reasonable time in advance of taking any voluntary leave from the vending facility, and as soon as possible with respect to any involuntary leave.
19. The vendor will keep such records and make such reports, as the S.L.A. shall require.

**C. GENERAL**

20. The business to be carried on at the vending facility will be limited to that specified and authorized in the permit.
21. The right, title, and interest in and to the equipment of the vending facility, the stock in trade, and funds on hand are vested in the S.L.A., and will be left at the vending facility or turned over to the S.L.A. on the termination of this agreement for any reason by either of the parties. In such an event the fair market value of the vendor's interest will be determined by the S.L.A. and paid to the vendor or to the vendor's heirs or assignees.
22. The monthly income of the vendor shall be the net profits of the business of the vending facility for the period in question, less the funds which must be set aside, as established in writing by the S.L.A. pursuant to 34 CFR Part 395.9. If one of the purposes of the funds set aside is assuring a fair minimum return to vendors, the net profits will be augmented by the amount necessary to bring the monthly income up to the fair minimum return.
23. Rebates, commissions, or bonuses received by the vendor from suppliers are, and must be accounted for, as income of the vending facility. Under no circumstances are such funds to be treated as the separate, personal funds of the vendor.
24. Only upon written authorization may merchandise be taken from the stock in trade of the vending facility by the vendor for his own use and such taking shall be accounted for by the vendor and paid for at cost prices.
25. The business and premises of the vending facility shall be covered by public liability insurance, fire and theft insurance, and any such other insurance as will protect the vendor, any one employed by the vendor, and the S.L.A. against losses and claims arising out of the conduct of the business of the vending facility. The cost of such insurance shall be a cost of operating of the vending facility and taken into account as such in determining the net proceeds of the business.
26. This agreement may be terminated at any time, and for good cause, by either vendor or S.L.A. It shall be terminated upon the revocation or termination of the permit or contract. In addition, it may be terminated by the S.L.A. if the business of the vending facility is not conducted in accordance with this agreement, or with applicable Federal, State, or local laws and regulations.
27. Upon termination of this agreement, the parties shall sign and date the NOTICE OF TERMINATION statement as recorded at the top of Page One (1) of this Agreement.
28. The S.L.A. shall issue in accord with this agreement a certificate (permit) in the attached format authorizing the vendor to operate the facility at this location.

By:

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**RHODE ISLAND DEPARTMENT OF HUMAN SERVICES**

**OFFICE OF REHABILITATION SERVICES**

**Section 115.13 ATTACHMENT IX-A**

**Policy and Procedures Manual**

**Rev. 07/02**

Date

State

Licensing Agency (SLA)

By:

\_\_\_\_\_  
Date

Vendor

By:

\_\_\_\_\_  
Date

Witness



## VENDING FACILITY APPLICATION AND PERMIT

APPLICATION AND PERMIT FOR THE ESTABLISHMENT OF a VENDING FACILITY ON FEDERAL, STATE, AND PRIVATE PROPERTY AS AUTHORIZED BY P.L. 74-732, AS AMENDED BY P.L. 83-565 AND TITLE II OF P.L. 933-526 (RANDOLPH-SHEPPARD ACT) 34 CFR 395; Title 40, Human Services; Chapter 40-9, RIGL.

The Services for the Blind and Visually Impaired of the State of Rhode Island requests approval of: \_\_\_\_\_.

Federal/State/Private

Property

Agency to place a vending facility on the property located at:

SATISFACTORY SITE: It has been determined that this location meets the criteria of a satisfactory site as defined in 34 CFR 395.1(q) revised 7/1/81. (Any exceptions to this definition are to be noted in Attachment A.)

**TYPE, LOCATION AND SIZE OF FACILITY (34 CFR 395.1(q))**: Type of facility (defined in Instructions for Form OHD-RSA-15): \_\_\_\_\_; Facility location \_\_\_\_\_; Facility size floor plan, Attachment B). The types of articles to be sold and services to be offered are enumerated in Attachment C. The fixtures and equipment for this facility, including the responsibility for the provision thereof, are set forth in Attachment D. The location, type, and number of vending machines which constitute all or a part of this facility are noted in Attachment E. The facility will operate \_\_\_\_ days of the week \_\_\_\_ a.m. to \_\_\_\_ p.m. commencing on \_\_\_\_\_.

This permit shall be issued for an indefinite time subject to those other terms and conditions as contained in Attachment G. The type and location of each vending machine located on this property and the specific income sharing provisions in 34 CFR 395.32 revised 7/1/81 applicable to each such machine will be indicated in Attachment F. Vending Machine income will be disbursed to the State Licensing Agency on at least a quarterly basis, unless it is mutually agreed otherwise. NOT APPLICABLE - INCOME TO VENDOR.

**OTHER TERMS AND CONDITIONS**: Any additional terms and conditions applicable to this location are included in Attachment G. This permit shall be issued for an indefinite period of time subject to suspension or termination on the basis of non-compliance by either party with any of the agreed upon terms and conditions of the permit. By mutual agreement the State Licensing Agency and the property agency/owner may terminate the permit after providing notice of the intended termination, including the reason therefore and supporting documentation to the other party. Both parties shall comply with all regulations issued in Title VI of the Civil Rights Act of 1964 and the Rhode Island Office of Rehabilitation Services/Services for the Blind and Visually Impaired and the Department of Human Services Nondiscrimination Notice (Attachment H). Reason for denial of the application shall be set forth in writing to the State.

\_\_\_\_\_  
Approving Property Official

\_\_\_\_\_  
Approving Licensing Agency Official

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date